Table 1 -- Physical Collocation Prices Proposed by Southwestern Bell

CENTRAL OFFICE	SQ.FT.	DEC. 1996	FEB. 1997
Fort Worth -- Crestview	100		
Non-Recurring		$220,317	$250,438
Recurring		$1,004/mo	$1,407/mo
San Antonio -- Diamond	100		
Non-Recurring		$169,542	$187,431
Recurring		$633/mo	$1,293/mo
Houston -- Clay	100		
Non-Recurring		$149,115	$186,093
Recurring		$872/mo	$1,375/mo
Austin -- Tennyson	100		
Non-Recurring		$273,331	$234,427
Recurring		$985/mo	$1,490/mo

Simply put, the collocation prices proposed by Southwestern Bell are exorbitant, and MAN does not believe that Southwestern Bell has established (or can establish) that they are cost-based or in conformance with the Texas Commission's Arbitration Award. They also illustrate that the regulatory process available to competitors who are forced to pay Southwestern Bell's physical collocation charges is woefully inadequate to control Southwestern Bell's pricing practices. MAN is forced to either pay the exorbitant charges, or not compete as planned in the Texas local exchange market while it seeks relief before state and federal regulators. Even though the Texas Commission has previously found that Southwestern Bell's physical collocation charges are "extremely high," MAN has asked the Texas Commission to again arbitrate Southwestern Bell's physical collocation prices, but cannot expect a decision until the Summer of 1997.

Southwestern Bell's allegedly cost-based collocation prices are substantially higher than the collocation charges of other local exchange carriers. In Dallas, for example, MAN negotiated an interconnection agreement with GTE that specified collocation charges of $96,496 for space comparable to the collocation space sought in Southwestern Bell central offices. That price is about half the price quoted by Southwestern Bell. MAN believes that Southwestern Bell's collocation prices in Texas are as much as three to six times higher than comparable charges for physical collocation offered by other carriers throughout the United States. MAN also believes that Southwestern Bell's collocation prices in Texas have varied substantially. In 1993, physical collocation charges for Southwestern Bell's central offices in Texas were roughly 1/6th of the level that Southwestern Bell now proposes for collocation.

The collocation prices proposed by Southwestern Bell are not based on an average of the collocation prices offered to TCG by Pacific Telesis, Bell Atlantic and NYNEX as required in the Arbitration Award. The proposed prices are not based on a TELRIC study. MAN understands the prices to be based on Pacific Telesis' tariffed collocation charges because Southwestern Bell asserts that Bell Atlantic and NYNEX's collocation charges are proprietary.[3/] In the Arbitration Award, the Texas Commission observed that Southwestern Bell's collocation charges "seem extremely high." As an interim remedy, the Commission ordered that Southwestern Bell develop rates based on an average of the collocation charges of Pacific Telesis, Bell Atlantic and NYNEX. When Southwestern Bell purports to comply with that requirement, for MAN the result is collocation rates that are even higher than the collocation charges that the arbitrators concluded were "extremely high." The Commission was obviously seeking a collocation methodology that would reduce Southwestern Bell's collocation charges. Southwestern Bell has violated the spirit of that requirement by applying the requirement to substantially increase its collocation charges. For example, comparing the December 1996 prices with the February 1997 prices, MAN's non-recurring charges increased as much as $30,000, and its recurring charges increased as much as 104% (San Antonio), increases that seem to have absolutely no basis in costs.

Southwestern Bell's collocation prices are based on the projected costs quoted to it from contractors whom it employs to make space suitable for physical collocation. Because Southwestern Bell merely passes those costs along to its competitors who choose to physically collocate in Southwestern Bell's central offices, there is no economic incentive for Southwestern Bell to seek out the lowest cost, most efficient contractors to perform its physical collocation work. Indeed, because Southwestern Bell's collocating competitors are paying the construction charges, one could argue that Southwestern Bell has an economic incentive to inflate physical collocation costs and construction quotes.

Southwestern Bell's collocation charges include several additives that inflate the price of collocation without regard to actual costs. Exhibit B shows a portion of the worksheet for the December 1996 collocation price offered to MAN. In particular, in addition to the general construction charges it shows that the common costs ($119,700) included an 11% additive for "General Conditions" ($7,984), a 4% additive for "Contractor's Overhead and Profits" ($3,089), a 8.25% additive for sales taxes ($7,174), a 12% additive for "Consultant's Fees" ($11,200), a 5% additive for "Observation", a 5% "Construction Management Fee" ($4,800), and a 5% additive for "Southwestern Bell Engineering." Thus, the overhead loadings (excluding sales taxes) shown in Exhibit B in Southwestern Bell's collocation price are 42%! Similar additives and overhead loadings are included in the worksheets detailing specific costs. Obviously, these additives substantially increase the price of collocation accommodations. MAN does not believe that these additives are in any way related to the forward-looking economic costs of providing physical collocation. For

3/ MAN does not understand how the collocation charges assessed by an incumbent carrier can be proprietary since incumbent carriers are obligated to provide collocation on a non-discriminatory basis under 47 U.S.C. §251(c)(6) and incumbent carriers must extend any interconnection service to other requesting carriers under 47 U.S.C. §252(i).

example, if the actual construction costs of collocation in one office was $50,000 and another was $30,000 due simply to differences in cabling, applying the percentage factors as Southwestern Bell does would impose higher Management Fees, higher Consultant Fees, etc. irrespective of the underlying actual costs of such activities.

MAN's remedy is to either submit to Southwestern Bell's exorbitant charges or put its marketing plans and network deployment on hold until it receives relief from the Texas Commission or the FCC.

2. *Southwestern Bell's Collocation Pricing Policies Unduly Burden the First Collocator, and thus, Retards Facilities-Based Competition.*

Southwestern Bell's unilaterally established collocation pricing policies distinguish between common collocation costs and collocation costs that are specific to an individual collocator. Common costs typically include the costs associated with upgrading a central office to accommodate several collocators, such as the costs of building a room large enough to accommodate four collocators or installing a power supply sufficient to provide collocation services to six collocators. MAN understands that Southwestern Bell has unilaterally decided that the first firm that requests physical collocation must pay all of the common costs. If other firms subsequently collocate in an office, then the first collocator would receive a "rebate" of a portion of the common costs it paid to Southwestern Bell. Such a practice obviously discourages entry by facilities-based local exchange carriers who need physical collocation to interconnect with unbundled network components by substantially inflating the cost of physical collocation for the first firm to seek collocation.

For example, Exhibit B shows some of the worksheets for collocation accommodations offered to MAN by Southwestern Bell for collocation in the Fort Worth (Crestview) central office. It shows that the common costs were $119,700 out of total non-recurring costs of $220,317. Thus, about 54% of the charges Southwestern Bell is asking MAN to pay for collocation in Fort Worth are to cover costs to upgrade facilities that would benefit other collocators in addition to MAN.

MAN also believes that Southwestern Bell's policy is inconsistent with common marketing practices of the telecommunications industry. For example, when telephone service is extended to a sub-division, development or to a specific group of customers, the first customer that orders service is not required to bear 100% of the common costs associated with offering the new service. Rather, firms project the demand for their service and recover common costs over the projected demand; they do not collect 100% of the common costs from the first customer that orders service. Southwestern Bell's practice is like asking the first customer who orders Caller ID to pay 100% of the network upgrade costs subject to a refund if anyone else orders Caller ID.

Also, when competition was introduced into long distance markets, most local carriers responded to the need to interconnect carriers by installing access tandems and developing access charges. Southwestern Bell's practice of assessing 100% of the common costs to the new entrant is like charging the first competitive long distance carrier (*i.e.*, MCI) 100% of the costs of equal access and access tandems. Such a practice would hardly be conducive to the development of competition.

Southwestern Bell argues that its practices are justified because physical collocation is not a service for which it receives any profits. Given that the prices for physical collocation quoted to MAN had embedded overheads of 42%, it is hard to take this reasoning seriously.

In discussions with Southwestern Bell, MAN understands that Southwestern Bell has considered this issue at its corporate officer level and has made an explicit policy decision that this is the structure of collocation charges it believes is appropriate. MAN believes that this policy has a chilling effect on competition contrary to the pro-competition policies of Telecommunications Act. MAN's choice is to either submit to Southwestern Bell's exorbitant charges or put its marketing plans and network deployment on hold until it receives relief from the Texas Commission or the FCC.

3. *Southwestern Bell's Collocation Prices and Pricing Practices are Inconsistent with the Requirements of the Telecommunications Act*

Southwestern Bell has a statutory obligation to provide physical collocation. Section 251(c)(2) of the Telecommunications Act requires incumbent local exchange carriers to provide interconnection with their network "for the facilities and equipment of any requesting telecommunications carrier . . .."[4/] Section 251(c)(6) of the Telecommunications Act imposes upon incumbent carriers "the duty to provide, on *rates*, terms, and conditions that are *just, reasonable, and nondiscriminatory*, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier, except that the carrier may provide for virtual collocation if the local exchange carrier demonstrates to the State commission that physical collocation is not practical for technical reasons or because of space limitations."[5/]

In its Interconnection Order, in interpreting what constitutes just, reasonable and nondiscriminatory rates, the FCC required that the price of interconnection, access to unbundled network elements and collocation accommodations be based on forward-looking, economic costs.

> Adopting a pricing methodology based on forward-looking, economic costs best replicates, to the extent possible, the conditions of a competitive market. In addition, a forward-looking cost methodology reduces the ability of an incumbent LEC to engage in anti-competitive behavior. Congress recognized in the 1996 Act that access to the incumbent LECs' bottleneck facilities is

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4/ 47 U.S.C. § 251 (c)(2).

5/ 47 U.S.C. § 251 (c)(6) (emphasis added).

> critical to make meaningful competition possible. As a result of the availability to competitors of the incumbent LEC's unbundled elements at their economic cost, consumers will be able to reap the benefits of the incumbent LECs' economies of scale and scope, as well as the benefits of competition. Because a pricing methodology based on forward-looking costs simulates the conditions in a competitive marketplace, it allows the requesting carrier to produce efficiently and to compete effectively, which should drive retail prices to their competitive levels. ...
>
> We note that incumbent LECs have greater access to the cost information necessary to calculate the incremental cost of the unbundled network elements of the network. Given this asymmetric access to cost data, we find that incumbent LECs must prove to the state commission the nature and magnitude of any forward-looking cost that it seeks to recover in the prices of interconnection and unbundled network elements.[6/]

In its arbitration award, the Texas Commission established interim collocation rates to remain in effect until a forward-looking economic cost study is submitted and approved by the Commission.[7/] Thus, the Texas Commission has embraced the FCC's requirement that collocation charges be based on an estimate of forward-looking economic costs. Southwestern Bell ignored both the FCC and the Texas Commission and set exorbitant prices for collocation that are virtually unrelated to costs or the just, reasonable, non-discriminatory standard of the Telecommunications Act. Certainly, requiring the first collocator to pay 100% of the common costs while subsequent collocators are liable for lesser portions cannot be considered "non-discriminatory" irrespective of the unilaterally set, exorbitant level of Southwestern Bell's charges.

MAN's choice is to either submit to Southwestern Bell's exorbitant charges or put its marketing plans and network deployment on hold until it can seek relief from the Texas Commission or the FCC.

4. Southwestern Bell's Collocation Tariffs Are Limited to Three Parties

In its Arbitration Award, the Texas Commission ordered Southwestern Bell to file interim and permanent collocation tariffs. The Commission was obviously concerned that Southwestern Bell's collocation charges were excessive relative to the charges of other incumbent carriers. In spite of the Commission's admonitions and efforts to reduce Southwestern Bell's collocation charges, as described above, Southwestern Bell's interim charges are still excessive.

6/ *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, FCC Docket No. 96-98, at ¶¶ 679-680 (rel. August 8, 1996) ("Interconnection Order").

7/ Arbitration Award at ¶ 93.

On February 18, Southwestern Bell filed its physical collocation tariff with the Texas Commission. (MAN has filed a protest of the tariff.) Two problematic aspects of the tariff are worth mentioning:

- Southwestern Bell limited the tariff to just the petitioners who complained about physical collocation in the arbitration. Effectively, that limits the tariff to AT&T, MCI and TCG. Presumably, others are not allowed to buy from the tariff and would have to negotiate collocation arrangements with Southwestern Bell.

- In its tariff, Southwestern Bell also classifies central offices as "suitable" or "non-suitable" for physical collocation. Collocators in offices that are classified as "suitable" pay charges specified in the tariff. Collocators in offices that are classified as "non-suitable" must negotiate collocation charges. Only the Crestview office is classified as "suitable." As a practical consequence, collocators who wish to collocate in non-suitable offices must negotiate with Southwestern Bell and experience significant delays as Southwestern Bell prepares its various price quotes.

In short, while MAN's arbitration request and consideration of Southwestern Bell's collocation tariffs are underway in Texas, at best, resolution is still several months away. Thus, the regulatory process has not proven terribly effective in addressing the unilateral actions of a carrier that controls essential facilities.

5. *Other Potential New Entrants Have Experienced Similar Anti-Competitive Behavior From Other RBOCs*

In its December 16, 1996 letter to the Department, the Telecommunications Resellers Association (TRA) expressed concern that ". . . BOCs have sought to hinder competitive entry and operations through a variety of stratagems. For example, the BOCs have sought to use inflated non-recurring charges to undermine the competitive viability of new market entrants."[8/] TRA provided the Department with the following examples of BOCs abuse of power to hinder competition:

- Ameritech-Illinois sought to impose a non-recurring charge of $40,000 for the first 100 square feet of floor space and a separate non-recurring charge of $15,000 for each additional 100 square feet used;

8/ Letter from Telecommunications Resellers Association to Donald Russell, at 13 (December 16, 1996).

- U S West Communications, Inc. quoted $100,000 for a simple equipment cage and $160,000 for a walled enclosure.[9]

Of course the egregious examples that TRA cites are $100,000 to $200,000 lower than the collocation quotes MAN received from Southwestern Bell.

In light of the above, it is astonishing that Southwestern Bell purports to be incapable of hindering competition or acting anti-competitively. In its letter to the Department on December 13, 1996, Southwestern Bell portrayed itself as an aggressive negotiator of interconnection agreements.[10] Southwestern Bell is aggressively preventing the execution of any interconnection agreement by offering "take it or leave it" exorbitant prices which no competitor can afford, making entry into the local market impossible. Southwestern Bell further claims that

> SBC lacks the ability to cross-subsidize or discriminate against its customer-competitors in any local exchange or long distance market. That is because (a) SBC's prices and services are subject to plenary state and federal regulations, (b) SBC has established a track record and a course of dealings between with its customer-competitors that is devoid of cross-subsidization and that establishes a non-discriminatory pricing and service benchmark, and (c) even if it were to attempt to implement any kind of discrimination that could possibly matter in the marketplace, SBC is completely unable to avoid immediate detection and resulting sanctions.[11]

MAN's experience with Southwestern Bell in Texas is completely contrary to Southwestern Bell's assertions to the Department. Southwestern Bell is clearly in a position to discriminate against its customer-competitors and has done so with regard to negotiating physical collocation prices, among other things. While Southwestern Bell claims that its prices are subject to state and federal regulation, that has not prevented it from forcing exorbitant physical collocation prices on MAN and developing a tariff that is discriminatory on its face (*i.e.*, it only applies to three parties). Southwestern Bell's "track record" demonstrates an ability and willingness to discriminate among competitors.

9/ *Id.* at 14.

10/ Letter from SBC Telecommunications, Inc. to Donald J. Russell, at 2 (December 13, 1996).

11/ *Id.*

In its letter to the Department, Southwestern Bell states that "no responsible argument can be made that SBC will act anti-competitively once it obtains in-region interLATA relief."[12/] Southwestern Bell's actions speak for themselves.

Please call me or Larry Kirkwood (972-753-4330, Vice President, MAN) if you have any questions.

Respectfully submitted,

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Paul D'Ari (Federal Communications Commission)
Dennis Eidson (Southwestern Bell)

12/ *Id.*

Exhibit A

Letter Making Collocation Payments Under Protest

MAN
Metro Access Networks, Inc.
2477 Gateway Drive . Irving, Texas 75063

December 5, 1996

Mr. Al Valani
Southwestern Bell
One Bell Plaza
208 S Ackard, St 0525
Dallas, Texas 75202

Dear Al:

Please find enclosed the remaining payments requested by SWB from MAN for the completion of physical collocate spaces in Dallas Taylor and San Antonio Capitol CO. Because of impending customer due dates requiring MAN to take immediate occupancy of this space, MAN cannot wait until more favorable rates are negotiated within the scope of our ongoing interconnection meetings.

Please accept this letter as notification that MAN is making the enclosed payments under protest and that we believe the Telcom Act does not require a CLEC to bear a financial burden of this magnitude for physical interconnection. Our position is that these payments are inconsistent with interconnection requirements established by the Public Utility Commission of Texas in Dockets 16189,16196,16226, 16285, 16290. MAN understands that SWB has been directed to file tariffs for physical interconnections such as those covered by the enclosed payments.

In summary , should MAN and SWB agree to more favorable interconnection rates for MAN or should SWB be required to tariff its physical interconnection rates, MAN expects full reimbursement for any amount paid above such rates.

Sincerely,

Michael P Gallagher
President

cc: Mark Sievers, Esq.
Harvey Perry, Esq.
Larry Kirkwood
Paul Eason

Exhibit B

Excerpts from Collocation Worksheets

CONSTRUCTION COST SUMMARY FOR PHYSICAL COLLOCATION

CUSTOMER: METRO ACCESS NETWORKS
LOCATION: Ft Worth-Arlington - Crestview
CASE NO: DL1029610
ACNA: MAI
CLLI: FTWOTXCRHA1

CONSTRUCTION COSTS TO PROVIDE: FOR PHYSICAL COLLOCATION IN:	100 SQ. FT. CAGE CRESTVIEW CENTRAL OFFICE	
COMMON WORK	$	119,700.00
SPECIFIC WORK	$	15,200.00
COST OF EQUIPMENT	$	84,517.00
COST OF PULLING CABLE	$	900.00
TOTAL UPFRONT PAYMENT	$	220,317.00
MONTHLY COST FOR EQUIPMENT	$	368.97
MONTHLY COST FOR CONDUIT (Conduit cost/foot= $0.15 X 1800 ft. in cable run)	$	270.00
COLLOCATOR SPACE MONTHLY RENTAL COST (Cost/Asgn.Sq. Ft. = $3.66 X 100 sq. ft. cage)	$	366.00
TOTAL MONTHLY COST	$	1,004.97

INTERVAL EQUALS FOURTEEN (14) WEEKS.

NEW CONSTRUCTION DETAILED ESTIMATE - PHYSICAL COLLOCATION (COMMON COSTS)

COLLOCATOR: Metro Access Networks

DATE: 11/13/98

NSS COORD.: Mattie Richardson

NSS PROJECT I.D. #: DL1029810

ACNA: MAI

BUILDING NAME: Fort Worth Creekview Central Office

BLDG LOC. CODE: 730048

CWO/LC: 2600182

PHONE: 214-[illegible]-3812

ORDER #: R043900

SF REQ.: 100 SF

FLOOR: 2nd

CLLI: FTWOTXCRHAT

STREET: 312 W Abrams

CITY: Arlington

STATE: TX

ZIP: [illegible]

Description of COMMON COSTS:	Quantity	Units	$/Unit	10C	10X	610M	357C	377C	85C	Total	P.O.
General:											
Dust Partition	20	lf	$ 20.00			$ 400				$ 400	
Remove Ceiling		sf	$ 2.00		$ -					$ -	
Remove Walls	20	lf	$ 20.00		$ 400					$ 400	
Remove		ea	$ -		$ -					$ -	
Asbestos abatement of floor tile		sf	$ -		$ -					$ -	
New floor tile	400	sf	$ 2.50	$ 1,000						$ 1,000	
Lead paint abatement (NIC)		sf	$ -			$ -				$ -	
Patching, repairing, & repainting	1200	sf	$ 1.20			$ 1,440				$ 1,440	
Wire partition wall w/ doors	900	sf	$ 13.50	$ 12,150						$ 12,150	
Sheetrock partition wall	-	lf	$ 55.00	$ -						$ -	
Painting of new partitions		sf	$ 1.00	$ -						$ -	
Hollow Metal Doors	2	ea	$ 800.00	$ 1,600						$ 1,600	
Re-build SWBT storage area (displaced by MAI)	400	sf	$ 25.00	$ 10,000						$ 10,000	
			$ -							$ -	
Mechanical:										$ -	
Demolition (Mech)		lot	$ -		$ -					$ -	
A/C ductwork changes, louvers, & t-stat	1	lot	$ 4,200.00	$ 4,200						$ 4,200	
Cantel, Andover circuiting and programming		lot	$ 6,000.00	$ -						$ -	
			$ -	$ -						$ -	
			$ -							$ -	
Electrical:										$ -	
Remove Lights		ea	$ 50.00		$ -					$ -	
Remove Panels		ea	$ 500.00		$ -					$ -	
1'x4' flourescent light fixtures w/switch	10	ea	$ 150.00	$ 1,500						$ 1,500	
110v duplex electrical outlets		ea	$ 100.00	$ -						$ -	
Exit lights	1	ea	$ 300.00	$ 300						$ 300	
Emergency lighting	2	ea	$ 300.00	$ 600						$ 600	
Electrical panel and breakers	1	ea	$ 4,000.00	$ 4,000						$ 4,000	
Cage grounding #6 stranded/insulated & 2 lug term.	1	ea	$ 2,000.00	$ 2,000						$ 2,000	
Fire Detection rezoning and AHU firestat		ea	$ 400.00	$ -						$ -	
			$ -							$ -	
Security:										$ -	
Cardreaders	3	ea	$ 1,200.00	$ 3,600						$ 3,600	
Maglocks	1	ea	$ 400.00	$ 400						$ 400	
Emergency exit w/crsender & alarm	1	ea	$ 1,000.00	$ 1,000						$ 1,000	
Stair door Simplex lock	4	ea	$ 300.00	$ 1,200						$ 1,200	
1 Key set, core and I.D.'s		ea	$ 300.00	$ -						$ -	
Andover controls to doors		ea	$ 13,000.00	$ -						$ -	
Security card programming	1		$ 1,000.00	$ 1,000						$ 1,000	
Fiber Optic Cable Conduit Path:										$ -	
4" conduit (between cable vault and cage)	580	lf	$ 45.00						$ 26,100	$ 26,100	
F&I 4' x 4' pull box	1	ea	$ 1,000.00						$ 1,000	$ 1,000	
Core 4" holes		ea	$ 300.00						$ -	$ -	
Fire-rated enclosure for pathway		lf	$ 200.00	$ -						$ -	
Telephone Power Cable Path:										$ -	
Open holes in floor & walls	2	ea	$ 500.00					$ 1,000		$ 1,000	
Provide ceiling inserts		ea	$ 50.00	$ -						$ -	
Fire-rated enclosure for pathway		lf	$ 200.00	$ -					$ -	$ -	
Transmission Cable Path:										$ -	
Open holes in floor & walls	2	ea	$ 500.00				$ 1,000		.	$ 1,000	
Provide ceiling inserts		ea	$ 50.00	$ -						$ -	
Fire-rated enclosure for pathway		lf	$ 200.00	$ -						$ -	
Construction Subtotal:				$ 44,550	$ 400	$ 1,840	$ 1,000	$ 1,000	$ 27,100	$ 75,890	
General conditions			0.11	$ 4,687	$ 42	$ 194	$ 105	$ 105	$ 2,851	$ 7,984	
Contractor's overhead and profit			0.04	$ 1,813	$ 16	$ 75	$ 41	$ 41	$ 1,103	$ 3,089	
Taxes			0.0825	$ 4,212	$ 38	$ 174	$ 95	$ 95	$ 2,562	$ 7,174	
CONSTRUCTION TOTALS				$ 55,300	$ 500	$ 2,300	$ 1,200	$ 1,200	$ 33,600	$ 94,100	$ -
CONSULTANT FEES			0.12	$ 6,600	$ 100	$ 300	$ 100	$ 100	$ 4,000	$ 11,200	
OBSERVATION			0.05	$ 2,800	$ -	$ 100	$ 100	$ 100	$ 1,700	$ 4,800	
TOTAL DIRECT COSTS				$ 64,700	$ 600	$ 2,700	$ 1,400	$ 1,400	$ 39,300	$ 110,100	
CONST. MGMT FEE			0.05	$ 2,800	$ -	$ 100	$ 100	$ 100	$ 1,700	$ 4,800	
SWBT ENGINEERING			0.05	$ 2,800	$ -	$ 100	$ 100	$ 100	$ 1,700	$ 4,800	
TOTAL LOADED COST				$ 70,300	$ 600	$ 2,900	$ 1,600	$ 1,600	$ 42,700	$ 119,700	

New Const. Detailed Estimate

NEW CONSTRUCTION DETAILED ESTIMATE - PHYSICAL COLLOCATION *(SPECIFIC COSTS)*

COLLOCATOR:	Metro Access Networks	ACNA:	MAI	SF REQ.	100 SF
		FLOOR:	2nd		
DATE:	11/13/98	BUILDING NAME:	Fort Worth Crestview Central Office		
		BLDG LOC. CODE:	[illegible]	CLLI:	FTWOTXCXHAT
		CWO/LC:	2600162	STREET:	312 W Abrams
NSS COORD.:	Mattie Richardson	PHONE:	[illegible]	CITY:	Arlington
NSS PROJECT I.D. #:	[illegible]	ORDER #:	[illegible]	STATE:	TX
		ZIP:	[illegible]		

Description of *SPECIFIC COSTS:*	Quantity	Units	$/Unit	10C	10X	610M	357C	377C	85C	Total	P.O.
General:											
Dust Partition		lf	$ 20.00			$ -				$ -	
Remove Ceiling		sf	$ 2.00		$ -					$ -	
Remove Walls		sf	$ 20.00		$ -					$ -	
Remove		ea	$ 20.00		$ -					$ -	
Asbestos abatement of floor tile		sf	$ -		$ -					$ -	
New floor tile		sf	$ -	$ -						$ -	
Lead paint abatement (NIC)		sf	$ -			$ -				$ -	
Patching, repairing, & repainting		sf	$ 1.20			$ -				$ -	
F&I Wire partition wall w/ doors	300	sf	$ 13.50	$ 4,050						$ 4,050	
F&I Sheetrock partition wall		lf	$ 55.00	$ -						$ -	
Painting of new partitions		sf	$ 1.00	$ -						$ -	
F&I Hollow Metal Doors		ea	$ 800.00	$ -						$ -	
Clean & repair cage door		ea	$ 300.00			$ -				$ -	
										$ -	
Mechanical:										$ -	
Demolition (Mech)		lot	$ -		$ -					$ -	
A/C ductwork changes, louvers, & t-stat		lot	$ 2,100.00	$ -						$ -	
Cantel, Andover circuiting and programming		lot	$ 6,000.00	$ -						$ -	
		lot	$ -	$ -						$ -	
										$ -	
Electrical:										$ -	
Remove Lights		ea	$ 50.00		$ -					$ -	
Remove Panels		ea	$ 500.00		$ -					$ -	
1'x4' flourescent light fixtures w/switch	2	ea	$ 150.00	$ 300						$ 300	
110v duplex electrical outlets	2	ea	$ 100.00	$ 200						$ 200	
Exit lights		ea	$ 300.00	$ -						$ -	
Emergency lighting		ea	$ 300.00	$ -						$ -	
Electrical panel and breakers		ea	$ 4,000.00	$ -						$ -	
Cage grounding #6 stranded/insulated & 2 lug term.	1	ea	$ 2,000.00	$ 2,000						$ 2,000	
Fire Detection rezoning and AHU firestat		ea	$ 400.00	$ -						$ -	
			$ -							$ -	
Security:										$ -	
Cardreaders		ea	$ 1,200.00	$ -						$ -	
Maglocks		ea	$ 400.00	$ -						$ -	
Emergency exit w/crashbar & alarm		ea	$ 1,000.00	$ -						$ -	
Stair door Simplex lock		ea	$ 300.00	$ -						$ -	
1 Key set, core and I.D.'s	1	ea	$ 300.00	$ 300						$ 300	
Andover controls to doors		ea	$ 15,000.00	$ -						$ -	
Security card programming	1	lot	$ 1,000.00	$ 1,000						$ 1,000	
										$ -	
Fiber Optic Cable Conduit Path:										$ -	
2" conduit (between pull box and collocator's cage)	40	lf	$ 45.00						$ 1,800	$ 1,800	
F&I 4' x 4' pull box		ea	$ 1,000.00						$ -	$ -	
Core 4" holes		ea	$ 300.00						$ -	$ -	
Fire-rated enclosure for pathway		lf	$ 200.00	$ -						$ -	
										$ -	
Telephone Power Cable Path:										$ -	
Open holes in floor & walls		ea	$ 500.00					$ -		$ -	
Provide ceiling inserts		ea	$ 50.00	$ -						$ -	
Fire-rated enclosure for pathway		lf	$ 200.00	$ -					$ -	$ -	
										$ -	
Transmission Cable Path:										$ -	
Open holes in floor & walls		ea	$ 500.00				$ -			$ -	
Provide ceiling inserts		ea	$ 50.00	$ -						$ -	
Fire-rated enclosure for pathway		lf	$ 200.00	$ -						$ -	
										$ -	
										$ -	
										$ -	
										$ -	
										$ -	
Construction Subtotal:				$ 7,850	$ -	$ -	$ -	$ -	$ 1,800	$ 9,650	
General conditions			0.11	$ 828	$ -	$ -	$ -	$ -	$ 189	$ 1,015	
Contractor's overhead and profit			0.04	$ 319	$ -	$ -	$ -	$ -	$ 73	$ 393	
Taxes			0.0825	$ 742	$ -	$ -	$ -	$ -	$ 170	$ 912	
CONSTRUCTION TOTALS				$ 9,700	$ -	$ -	$ -	$ -	$ 2,200	$ 11,900	$ -
CONSULTANT FEES			0.12	$ 1,200	$ -	$ -	$ -	$ -	$ 300	$ 1,500	
OBSERVATION			0.05	$ 500	$ -	$ -	$ -	$ -	$ 100	$ 600	
TOTAL DIRECT COSTS				$ 11,400	$ -	$ -	$ -	$ -	$ 2,600	$ 14,000	
CONST. MGMT FEE			0.05	$ 500	$ -	$ -	$ -	$ -	$ 100	$ 600	
SWBT ENGINEERING			0.05	$ 500	$ -	$ -	$ -	$ -	$ 100	$ 600	
TOTAL LOADED COST				$ 12,400	$ -	$ -	$ -	$ -	$ 2,800	$ 15,200	

New Const. Detailed Estimate

NEW CONSTRUCTION DETAILED ESTIMATE - PHYSICAL COLLOCATION *(TOTAL COSTS:SPECIFIC & COMMON)*

COLLOCATOR: Metro Access Networks

DATE: 11/13/98

NSS COORD.: Mattie Richardson

NSS PROJECT I.D. #: DL1029810

ACNA: MAI

BUILDING NAME: Fort Worth Crestview Central Office

BLDG LOC. CODE: T30084

CWO/LC: 2600182

PHONE: 214-464-3812

ORDER #: N024800

SF REQ.: 100 SF

FLOOR: 2nd

CLLI: FTWOTXCRHAT

STREET: 312 W Abrams

CITY: Arlington

STATE: TX

ZIP: 76010-7123

SUMMARY: SPECIFIC & COMMON COSTS				10C	10X	610M		377C	85C	Total	P.D.
CONSTRUCTION TOTALS				$ 65,000	$ 500	$ 2,300	$ 1,200	$ 1,200	$ 35,800	$ 106,000	$ -
CONSULTANT FEES			0.12	$ 7,300	$ 100	$ 300	$ 100	$ 100	$ 4,300	$ 12,700	
OBSERVATION			0.05	$ 3,300	$ -	$ 100	$ 100	$ 100	$ 1,800	$ 5,400	
TOTAL DIRECT COSTS				$ 76,100	$ 600	$ 2,700	$ 1,400	$ 1,400	$ 41,900	$ 124,100	
CONST. MGMT FEE			0.05	$ 3,300	$ -	$ 100	$ 100	$ 100	$ 1,800	$ 5,400	
SWBT ENGINEERING			0.05	$ 3,300	$ -	$ 100	$ 100	$ 100	$ 1,300	$ 5,400	
TOTAL LOADED COST				$ 82,700	$ 600	$ 2,900	$ 1,600	$ 1,600	$ 45,500	$ 134,300	

TAB G

ATTACHMENT

LETTER FROM VALU-LINE OF KANSAS TO DOJ MAY 8, 1997

VALU-LINE
"The Telephone Company"

P.O. BOX 972
EMPORIA, KS. 66801
316-343-7071
1-800-279-7071
FAX 316-343-9160

• TELEPHONE EQUIPMENT • LOW COST LONG DISTANCE • CONSULTANT SERVICES • VOICE PROCESSING • VALU-800

May 8, 1997

Mr. Jonathan D. Lee
U.S. Department of Justice - Antitrust Division
Judiciary Center Building
555th Street, NW
Washington, DC 20001

Dear Mr. Lee:

I am writing to follow up on our telephone conversations of May 6th and 7th.

Valu-Line of Kansas Inc. is a small interexchange carrier based in Emporia, Kansas. Valu-Line provides long-distance, telephone and data equipment, data cabling systems, internet, and other telecom products and services to customers throughout Kansas. In March of this year, Valu-Line also became a Competitive Local Service Provider. This currently is being implemented through a bundled resale agreement with Southwestern Bell Telephone.

Our experiences with Southwestern Bell in the area of local service have been, trying. We have had a history of a very open and amiable relationship with Southwestern Bell as an interexchange carrier. As a CLEC, our relationship is not quite as open. The level of cooperation from Southwestern Bell has not been what we envisioned. It has been quite a challenge to do business with Southwestern Bell under our resale agreement.

Southwestern Bell Operational Support Systems (OSS) have proven to be a major challenge to understand, implement.

When Valu-Line became certified in early March of 1997, we began the process of placing orders with Southwestern Bell. We began the process with the understanding from our account representative,chief negotiator and other SWB personnel, that each main billing telephone number would cost $25.00 to convert to our service. When we actually began placing orders by fax, we were informed that the charge was $25.00 per telephone number. The term order, as SWB now defined it, referred to their internal order process. This meant a residential customer with 2 lines would cost $50.00 to convert. A business customer with 2 lines in a hunt group and 1 non-hunting line, would cost $50.00 to convert.

During the period of our negotiations with SWB (September 1996 to January 1997), we asked repeatedly for information regarding mechanized systems that were in place or would be available in the future. The only systems we were told about were Bill Plus and a product called CNA. At no time during our negotiations or after we began implementation processes, were we notified of any OSS systems. On the day that we began placing orders and became aware of the order cost issue, we asked our account representative once again for some assistance. At about the same time, we became aware of a recently filed resale and interconnection agreement between Sprint United Telephone and Southwestern Bell that did have a lower conversion charge in it. We obtained a copy of the contract and found that there was a

charge of $5.00 per order listed in the contract. The charge however, was only applicable if the conversion was done in a mechanized manner. I advised our SWB account representative that we wished to implement this same charge in our contract.
I also asked again for any information on mechanized systems that might be available.

In the next day or two we received a copy of the Southwestern Bell Operational Support Systems Appendix (OSS). We read this appendix and found that there did appear to be systems we could use to mitigate the conversion charges. We also became hopeful that these systems might improve efficiency of the conversion process and speed up the conversions themselves. The cost for the services however, seemed very high. Access to any of the systems would require a monthly fee of $3,500.00. In addition, if we choose to use dial up access, we would also be charged $316.00 per month per connection. If agreed to use dedicated access, we would have to provide a data circuit from our offices in Emporia, Kansas to SWB in Dallas, Texas and would pay a monthly port charge of $1,580.00.

On Friday, March 7th of this year, Valu-Line had a conference call with our SWB account representative and a Mr. Nathan Sparks of SWB. We were told Nathan could explain all of the OSS systems. Nathan gave an overview of each service as it was listed in the OSS. He then explained that if we wished to implement any of these services, we would be subject to the monthly charges. We would also be required to travel to Dallas, Texas for training. Further, we were advised the training would be a chargeable item. REASE and BEASE training would cost $3,650.00 per class for up to five people (total $7,300.00), plus our expenses. Toolbar training would be $810.00 for up to five people. This was not stated in our OSS appendix.

We began discussing the more technical issues regarding this system and after some time, Nathan advised us that more information would be available to us only after we signed the appendix. We advised we felt the need to implement OSS was critical to our operation.

We felt we were being pressured into signing the document so that we could learn more about OSS however, we signed the appendix on March 10, 1997 and sent it to SWB.

We determined that training for REASE came first and we were told it would take 4 days. We asked if there was anywhere we could actually see the systems up and running and were informed we could have a "hands on" demo in St. Louis. On Thursday, April 3rd, we viewed the demo in St. Louis. REASE was first. We found that the demo we were to see was actually working on the SWB in house network and not on the remote network set up for LSP use. We got approximately a 10 minute demo of the system. The screen refresh seemed to be very slow. After about 10 minutes, the system went down. We took a break so SWB could make some changes and show us BEASE. We viewed BEASE and found it too was slow, but seemed a little more user friendly. It became apparent and was even mentioned by SWB, that REASE and BEASE were order entry systems. They were of little use for pre-order. Pre-order would be addressed by the Toolbar. The Toolbar and all of its functions were demonstrated as was Bill Plus. It was apparent the Toolbar did provide some limited help for pre-order but only for a new account. The system would be of little use for conversion. We asked how we would view a customer converting to our service so that we could convert them "as is" and see all of their lines and services. We were told that was not available unless you knew all of the numbers and went into the EASE systems to do a disconnect order. We were also informed all conversions would consist of a disconnect and a new order. There was no such thing as a "conversion" order. When we were shown Bill Plus, we asked why USOCs were not included in the format. We were told this might be available in a future version, but was not currently a part of Bill Plus. We asked how we might then get USOCs for audit purposes and were told they were not available at this time. At the completion of the demo, Jackie Richardson of SWB, asked me if I understood that REASE and Toolbar would function on a dial-up basis, but that BEASE would most likely not. I advised her that I had picked up on this and that we would be working to get a dedicated circuit installed as soon as possible.

The following week, our Director of Operations Mary Bush, and several of her staff traveled to Dallas for training. The REASE system was found to not be very "user freindly". On Thursday, the trainer said they had picked up the information very well and should have no problems upon return. During the week our staff was in Dallas, Valu-Line installed four computers and established dial up service with SWB. Upon return, Monday April 14th., it was found that the screens and information we were accessing were not the same ones we had been trained on. It appeared that somehow the system was not the same one we had been trained on. We immediately called our account representative and other SWB personnel. For the next several days, we struggled a system that did not work the system. SWB made some changes to the system and finally late in the week sent our account representative and another person, familiar with REASE, to assist in re-training us on the system we now had. SWB did finally agree to take our orders by fax and charge the lower rate for them until the problems could be fixed.

Over the next 10 days, many of the problems were fixed. On April 28th, our team returned to Dallas for BEASE training and Toolbar training. The system (BEASE), proved to be very complex and there were many questions. SWB policy personnel did attend parts of the class but seemed to have more questions than answers themselves.

Toolbar training took only about a day and it was proven that while some parts of it did work, it would be of little practical use to us.

During this week Valu-Line worked with SWB to install a 56k data circuit between our locations. It was apparent very early on, the people involved on the SWB end had never attempted this before. They did however, work hard for us. By Thursday morning, we had a functional circuit. At that time, a representitive from SWB came on site to load BEASE software on our computers. We were told we would need OS2 for this function and we purchased the latest version. We were then told that BEASE had not been tried on this version. We ordered an earlier version. When Allan arrived, he advised we still did not have what we needed. He was able to use the newer software and download some additional software to make the system work.

During the BEASE training in Dallas, it was agreed by Valu-Line and SWB that a SWB employee, familiar with BEASE, and a Toolbar expert would be on site at Valu-Line the following Monday, May 5th, to assist with implementation. Edward Votoupal and Irma Goodwin of SWB were on site Monday, as planned. Ed went over the Toolbar with Valu-Line and we found several programs in the Toolbar that would not function correctly. Ed is continuing to work on these problems. Ed also clarified a long-term (several months) problem. Valu-Line had been told numerous times that we could view our bills electronically using CNA or the Toolbar. We could never find this function. Ed was able to determine that the feature we were asking for was actually in a product called Customer Network Administration and not in the "Toolbar" program. It should be noted that in our OSS appendix, there is no mention of the Toolbar applications, but there is a reference to CNA. Ed obtained a copy of CNA, loaded it, found problems, and corrected them for us.

In summary, our experiences have been challenging. We do believe that Southwestern Bell could and should be much more proactive in working with companies such as ourselves to develop methods and systems to make Local Service Resale work. While some of the systems do function, it is obvious that we do not have the same access to information and systems that SWB provides to their own people. The EASE systems appear to have been "modified" to provide less information to us than is available to their business offices. Further, we have no access to SORD which SWB does have open access to. The SORD system appears to have all of the information in it for us to accomplish pre-order functions for conversion. The fact that we must place a disconnect order for each conversion, shows that the systems needed by LSP's, have not been thoroughly thought out and developed by SWB. It certainly appears to me there has been little input, if any input, from LSP's as to what we need from SWB.

I am enclosing my comments to the Affidavit of Elizabeth A. Ham filed by SBC Communications with the FCC for your review. If you, or anyone else at the Department of Justice or FCC, desire more information, please feel free to give me a call.

Sincerely,

Rick Tidwell

Rick Tidwell
President
Valu-Line of Kansas Inc.

COMMENTS BY VALU-LINE OF KANSAS INC. TO
ELIZABETH A. HAM FCC AFFIDAVIT
MAY 8, 1997

1- No Comment
2- No Comment
3- No Comment
4- No comment
5- From the information we have received it appears that Valu-Line does not have the same access to pre-ordering, ordering, provisioning, maintenance, repair and billing as Southwestern Bell provides to itself. This is apparent from hands on use of the systems provided to us and from numerous conversations with Southwestern Bell employees.
6- No Comment
7- Valu-Line requested to enter negotiations on September 27, 1996. Our contract was signed January 17, 1997. During this time we had no conversations with anyone at Southwestern Bell concerning the nature or extent of the development of electronic interfaces.
8-While it appears much has been spent on OSS it appears that the systems developed are not completely appropriate for CLECs. The conversion of existing lines is simply not addressed with the existing systems.
9- CLECs do pay to use OSS. Monthly costs in Kansas are: $3,500.00 per month
$1,580 .00 per month per data circuit
$ 316.00 per month per dial up connection
In addition CLECS must pay SWB for training on the SWB systems before the systems can be put into use.
10- The RAF is now in use by Valu-Line and appears to operate relatively well.
11- The costs to Valu-Line are listed in 9 above. In addition the cost for training on BEASE or REASE is $3,650 per class for up to five students. For the Toolbar training the cost is $810.00 for up to five students. Training is done only in Dallas Texas. Rates for other classes are not known.
12- No Comment
13- No Comment
14- The LSPSC and Help Desk are both in place and working. The LSPSC is trying hard to help us process orders. The problem is they cannot answer many of the questions regarding conversion of complex services. In many cases we have waited weeks for answers to questions regarding the ordering or conversion of specific services. The help desk is also trying but they are only a clearing house. They do not answer many if any questions themselves. They take our information and try to direct it to the appropriate area of the company. In most cases we get referred back to our SWB account manager. Many of the people in SWB appear unwilling to talk with us unless our SWB account manager is directly involved. This becomes a major problem as our SWB account manager has more than 15 CLEC accounts. Further, many of the questions cannot be answered without the SWB "policy" group being involved. This process takes days or weeks.
15- See 14
16- See 14
17- See 14
18- No Comment
19- No Comment
20- No system that we have used or been shown provides complete and accurate information about the account which a CLEC wishes to convert. The only pre-order systems we have found are in the Toolbar applications and they appear to only apply to new orders not to conversions.
21- No Comment
22- By Southwestern Bells own admission the EASE systems are not pre order systems. They are order entry systems. They are also not set up for conversions but only for new orders. Both systems are slow and go down several times a week (in one day the an EASE system went down several times. We were told this affected not only us but Southwestern Bell reps. as well).

23-Verigate does provide the information stated but, this information is incomplete and useless for most conversion orders. It might be of some limited use when ordering a new service.
24- DataGate is not used by Valu-Line at this time.
25- No Comment
26- No Comment
27- Both REASE and BEASE are in use by Valu-Line. EDI is not currently used. LEX is not yet available. We have asked for more information on it but to date have not received it. We also asked if we could discuss being involved in any beta testing of the LEX system. To date we have received no reply. We have been told that LEX should be available sometime this year.
28-Ease comes in two flavors REASE for residential service and BEASE for business service. REASE is simple a terminal emulation and will operate under many environments. BEASE does involve some software on the CLEC workstation and operates under the OS2 operating system. Both systems are slow. Understand that they are no slower on our site than at Southwestern Bells own sites. The systems simply seem to bog down during periods of heavy use. The systems have gone down at least once a week for a period of time since we started using them. Since May 5 the system has gone down 5 times and has run extremely slow 3 other times. No pricing of products is available on either system. We have been told by SWB that pricing is proprietary. Does this hold true even when we are assuming liability for the service? In many cases SWB reps. must go into the SORD system to further process our orders after we input them as things must be done to the orders that we are not allowed to do. One example is that the REASE system will not allow two lines to hunt. In this case we must enter the order and then call the LSPSC group and advise them of the order so that they can add the hunting. Both systems are very labor intensive and require us to enter a disconnect order and a new service order to convert a customer. This causes several problems. First it is very labor intensive, second the posting process of the order is disrupted and the orders do not post in SWB systems properly, third in some cases the customer actually gets their service disconnected !
Finally, SWB has a form letter that is generated each time there is a disconnect. These letters are going out to our customers and the customer is confused as they are led to believe that they will lose their dial tone (of course in some cases they have!).
We have asked many times no about the daily feed of service order information. To this date we have not received any answers as to how we can get this feed started.
29- Not used by Valu-Line
30- Not used by Valu-Line
31- No Comment
32- LEX sounds good. We wish it were available now. From the information we have received from SWB second quarter 1997 sounds very optimistic.
33- Edward Votoupal of SWB spent May 5th through May 7th. in the Valu-Line offices. Ed explain the Toolbar applications to us all. Order Status could never be demonstrated completely. The system is not returning information. The system will not return posted orders. Since December of 1996 we have been told that we could view our bill over CNA, we were later told that CNA and the Toolbar were the same thing. We have had the Toolbar loaded and usable for at least 4 weeks. When Ed arrived we asked him to assist us in viewing our bill. Ed informed us that we needed CNA to do this. We explained to him how our SWB account rep and other contacts have told us the Toolbar was the same thing and that it should work for this. Ed called his office and got us a copy of CNA. He then loaded it and demonstrated that CNA and the Toolbar are NOT the same thing and was able to set us up to view our bill using CNA. This is just an example of the miscommunication taking place between CLECS and SWB as well as within SWB itself on many of these OSS issues.
34- This information is correct however The charge for these is $25.00 per order instead of $5.00 per order.
35-This information is correct. It is however, unacceptable. As an interexchange carrier we place electronic orders through the BDS Telis. These orders are as "complex" as orders can get. There is no reason Southwestern Bell cannot allow complex orders to be placed electronically. It should also be noted that under our present contract these complex orders are billed to us at $125.00 per order, not $25.00.
36-Maintenance and repair has so far worked relatively well. This is mainly due to the fact that we have had very little need for it. Other than customers loosing dial-tone on conversion trouble has been minimal.

37-Trouble Administration does work. The MLT tests do not always go through. I am told that this is the case even when SWB initiates the test and is just the way the systems function.
38- No Comment
39-Some of these items we do not believe were offered to us..
40- Billing has been an experience. We have yet to receive bill that is close to accurate. We elected to use SWB Bill Plus to receive our bill. The bill must be audited by hand, line by line. There are no USOCs on the bill so we must manually match up each charge. We have been billed taxes for which we are exempt. We have been billed for installation charges on conversion orders. We have been billed different charges for the same items.
And have been assessed Kansas Universal Service Fund fees for which we are exempt. Billing must get better quickly. USOCS must be provided and taxing problems cleared up. Bill Plus may be a good start but an upgrade is necessary to provide us with the needed information. the biggest problem though is in getting the other systems to process the orders correctly so that the bill will be accurate.
41- When we talked to SWB in December of 1996 they suggested that we not use EDI as it was too involved and we would have to go through a clearing house to receive our bill. We took their advice but to this day do not understand the "clearing house" issue. We believe we may have been mis-informed.
42- We were never advised that we could receive our bill in a CABs database. This affidavit is the first we have heard of this. We would be very interested in this as an option.
43- We now have CNA. It took many months to get it. It does appear to function but is NOT a part of the Toolbar. It should be noted that CNA and the Toolbar are not the same. CNA is listed in our OSS appendix. The toolbar is not.
44-We have asked repeatedly abut this service and can get no answers from SWB on how to set this up. Is it available or not?
45-Valu-Line is now using several of the systems.
46- As a small company we do not consider the costs for training $3,650 for four days for 5 people) to be nominal.
47- No Comment
48- No comment
49- As stated before the systems are slow.
50- The information is correct but the systems do not support conversions. We do NOT have the same access to the systems that SWB does.
51- No Comment
52- No Comment
53- No Comment
54- No Comment
55- No Comment
56- No comment
57-No Comment
58- No Comment

59- Currently SWBT clearly does not provide the same access to their systems for CLECs as they do to themselves. Further as A CLEC Valu-Line is being required to enter end user information into SWB systems for SWB use. We are already seeing telemarketing of our customer base by SWB. Where could they get this information? We have one customer that has been called four times in one week. She asked to be taken off the companies list. The calls continued. While we must allow competition we do not believe we should be required to build the database for Southwestern Bell Marketing. the week of May 1st I received a call at my home on my second line which is unlisted. The call caller advised me that they were calling for Southwestern Bell Telephone and would like to ask me some questions regarding the reasons that we chose another company to provide my local service (I converted my lines to Valu-Line several weeks ago) I asked how they got my number and they said they were provided by Southwestern Bell. The caller identified herself as working for Merrit Market Research. I was further told that Genette Burke was the manager at this firm. I agreed to answer several questions for the caller and then asked for a number for Ms. Burke and received the number (501/373-4800). I contacted Ms. Burke the next day. She reported that they did do market research for SWB. Her contact at Southwestern Bell was Don Merek. I have called Don at 314/235-2018 and exchanged voice-mail but have not yet talked regarding this matter. It appears from this instance and others similar that Southwestern Bell is already using CPNI to its own advantage for marketing purposes.

60-No Comment

The information contained in these comments is true and correct to the best of my knowledge and belief.

Richard Lee Tidwell

Richard Lee Tidwell

President
Valu-Line of Kansas Inc.
1420 C. of E. Drive
Emporia KS 66801

TAB H

ATTACHMENT

SBC PRESENTATION TO DOJ
JANUARY 23, 1997